

1 maybe the only other company in the -- in the
2 investment universe that looks like that, that that
3 dilutes their efforts.

4 Q By the only other company that looks like
5 that you mean a stand-alone Spanish-language radio
6 company?

7 A Yes. Publicly traded.

8 Q Publicly traded. That would be the peer
9 group for looking -- again, from an investment
10 analysis looking at New Heftel versus SBS?

11 A Well, I think that in -- from an investment
12 perspective if you wanted to buy a company that was
13 primarily in Spanish-language formatted stations,
14 yes. If that was the -- the investment criteria you
15 were looking at, yeah.

16 Q And after -- after SBS became a public
17 company, that was the case, right? Those were the
18 only two real players in the Spanish-language radio
19 sector?

20 A There may have been -- I know that there are
21 others. Whether or not they came into existence
22 before or after, I don't know.

23 Q Like Radio Unica is **small** player compared to
24 HBC or SBS.

25 A It is, I think, significantly smaller amount

1 of capitalization, yes.

2 Q And there's nobody else close to SBS or HBC
3 in market capitalization that's a publicly traded
4 that's in the business of Spanish-language radio in
5 the United States.

6 A I don't know how large Entravision is so I'm
7 not sure I would answer that question.

8 Q How about if I limit it to companies that
9 didn't have a significant -- a 30 -- a 30 percent
10 owner?

11 A I can't think of any others.

12 Q Now, back to your conversation in the summer
13 of '99 with Elizabeth Satin. I think you -- you told
14 me what prompted you to make the call. So now if you
15 could tell me what you said to her and what she said
16 to you.

17 A I don't remember if there -- we had small
18 chat beforehand. But I think I -- my nature is to be
19 pretty direct. And I think I asked her, are you
20 leading an IPO for SBS. She said yes.

21 And I said, well, you know, you agreed
22 not to do that as part of the Heftel underwriting.
23 And she said, yes, but, and she started to make a -- I
24 don't recall exactly what she said. She started to
25 make excuses for why it was okay that she did that.

1 And my recollection was that I just
2 said, you know, look, it's not my issue, you should
3 just be aware that the guys at Heftel are upset and
4 you've got an issue with your relationship there.

5 Q Why would -- why were you telling her that
6 it was -- that she should be concerned that Heftel was
7 upset with the relationship?

8 A Well, I mean, I think that if you look at
9 the job of an investment banker, their job is to
10 manage and cultivate relationships. That's how they
11 make their money is by having good relationships.

12 And, you know, as I said, Elizabeth was
13 a friend of mine. If I had been in her shoes I would
14 have wanted to know that. I had a good relationship
15 with Elizabeth. And the fact that I knew that there
16 was an issue, you know, I thought it was important
17 that she know that.

18 Q Why didn't you tell Jeff Hinson to call her?

19 A I don't know that he didn't, but I did not
20 say that.

21 Q Why were you speaking for Heftel in
22 expressing this view to Elizabeth Satin?

23 A I wasn't speaking for Heftel. I personally
24 wanted to know if she was doing it for my own
25 edification.

1 Q Well, you weren't involved in the -- at this
2 point in time you were not involved -- you were not an
3 officer of Heftel.

4 A I was not.

5 Q You were not a director of Heftel.

6 A I was not.

7 Q And your stock ownership through -- the
8 Clear Channel stock ownership was passive to avoid
9 attribution rules. Right?

10 A That is correct.

11 Q So why did you have an interest in talking
12 to Elizabeth Satin of Lehman about a matter that
13 seemed to concern only Lehman and Heftel?

14 A Well, again, I thought that she would want
15 to be aware that she had a problem with her
16 relationship. And, you know, regardless of what
17 company it is, if she -- if I had gotten a call from
18 the CFO of company Z and that CFO had told me, God,
19 you know, I'm really upset at investment banking firm
20 A, and I had a good relationship with the point person
21 in investment banking A, yeah, I would call and **tell**
22 them. I would say, hey, you know what, you know
23 this -- it's probably important you should know
24 you've got a problem with your relationship.

25 Q And don't know whether Mr. Hinson called

1 Mrs. Satin as well?

2 A I don't know if he did or did not.

3 Q Did -- is it true that your primary reason
4 in calling Elizabeth Satin was to get her to agree not
5 to be an underwriter for SBS in the IPO?

6 A No.

7 Q Did you want -- would you have regarded that
8 as a desirable outcome of your telephone call?

9 A That wasn't the purpose of my call.

10 Q So you're indifferent to whether Lehman
11 continued as -- on working on the SBS IPO.

12 A I don't know that I would say that I was
13 indifferent. I think that they -- just as a matter of
14 integrity I think that they said they wouldn't. And
15 just from a point of integrity I would have thought it
16 was appropriate. But I never suggested to her that
17 she shouldn't other than to say that she had agreed
18 not to.

19 Q Did you -- did you remind Elizabeth that
20 Lehman had continued to do deals for Heftel in the --
21 in the subsequent two years?

22 A I don't know if I did or didn't. I don't
23 recall that.

24 Q Did you remind Elizabeth that Lehman was
25 continuing to get business from Clear Channel in -- in

1 that period from '97 to '99?

2 A I don't know if I did or didn't.

3 Q Did you -- did you point out to Mrs. Satin
4 that one of the consequences of Lehman doing an IPO
5 for SBS was that Clear Channel would be less inclined
6 to give investment banking business to Lehman in the
7 future?

8 A I don't -- I don't recall saying that, no.

9 Q Wasn't that -- wasn't that why you called
10 her, to try to get her to withdraw from the SBS IPO in
11 exchange for continuing business from Clear Channel?

12 A No.

13 Q Did you -- did you tell Elizabeth Satin that
14 you thought Heftel would be less inclined to give
15 Lehman investment banking business in the future?

16 A I do believe that I said that I thought she
17 had an issue with her relationship there, which I
18 don't know if I explicitly said it but I think pretty
19 implicitly suggested that she had an issue with her
20 relationship with Heftel.

21 Q And issue with her relationship with Heftel
22 were the code words that meant, you're not going to
23 get as much business from Heftel in the future.

24 A That would have been solely up to them.

25 Q But that's what you were trying to convey to

1 her.

2 A I -- I thought it was important that she
3 know that she had a problem with her relationship.

4 Q But -- but the practical effect of the
5 problem with the relationship is that Lehman wouldn't
6 be getting as much investment banking business from
7 Heftel in the future.

8 A That would have been up to them.

9 Q But there's no -- that's what you were
10 trying to tell her, isn't it?

11 A What I was trying to tell her was that she
12 had a problem with her relationship.

13 Q But what are the practical implications of a
14 problem that an investment banker has with her
15 relationship with the corporation?

16 A Well, likely that you won't do a lot of
17 business with them.

18 Q What did you tell Elizabeth Satin, if
19 anything, about Mr. Alarcon and drugs?

20 A After she was -- after the initial part of
21 the conversation I asked her how the timing of the
22 transaction was going. And she said that, you know,
23 they had -- they were underway. And I asked her
24 whether or not they had completed all of their due
25 diligence. And she said that they had -- they were

1 still in the process.

2 And I said, did you find anything
3 unusual. She said, no, why. I said, look, I -- I
4 heard something that I didn't know if it was true,
5 that there was something in the public domain where
6 Raul admitted to using drugs.

7 Q Was your comment limited to admitted to
8 using drugs, or did it also involve drug trafficking?

9 A I said that -- I only repeated what I heard
10 from Jeff so it was only that he admitted to using
11 drugs.

12 Q And what did Mrs. Satin say to you?

13 A She asked me where -- where that was. And I
14 told her that I didn't know. And I think I again
15 repeated that I did not know if it was true.

16 Q Did she have an excited response to your --
17 your comments?

18 A My general recollection was is that she was
19 fairly excited from the previous part of the
20 conversation. Again, I think that she was very
21 defensive, as I think anybody would be who had agreed
22 to do something and was essentially not fulfilling
23 that. I think she was very defensive.

24 So she was already somewhat excited.

25 And I -- I can't remember if the additional comments

1 furthered that -- furthered that excitement or not.

2 Q Well, you would agree that they probably
3 didn't calm her down.

4 A I would agree that they -- well, I don't
5 know that they would or they wouldn't have. My guess
6 is they would not have.

7 Q You made those comments to her as a further
8 effort to get her to withdraw from the SBS **IPO**. Isn't
9 that correct?

10 A That's absolutely false.

11 Q Well, what were -- what were you -- why were
12 you telling her that you had heard that Mr. Alarcon
13 was a drug user?

14 A As an underwriter, if you were going to an
15 underwrite a company, I would think that it would
16 be -- that the main reason is that you wouldn't want
17 to -- you know, whether or not he was or wasn't I
18 don't think was probably material to them
19 specifically.

20 But it's something you'd sure want to
21 know if you are going out on road show so you didn't
22 get blinded by it, so it was something that if they
23 did need to disclose it to make sure they did, and
24 then more than anything just to be aware of it.

25 Q And this was just about drug use?

1 A Yes.

2 Q Is that correct?

3 So you think that -- and you had
4 that -- the drug part of the conversation at the end
5 of the conversation.

6 A Yes.

7 Q After you had -- after you had told
8 Mrs. Satin that you thought she didn't live up to her
9 word and commitment that she wouldn't do an SBS IPO.

10 A After -- after she had told me that she was
11 going to do the SBS IPO, yes.

12 Q And after -- after you had told her that
13 this -- doing the SBS IPO would be bad for her
14 relationship with Heftel.

15 A I think I told her that she would have an --
16 I think I told her not that doing the SBS in those
17 words. I think what I told her was she had an issue
18 with her relationship with Heftel.

19 Q So you're telling me that the third part of
20 the conversation which you said you had heard but you
21 didn't know if it was true that Mr. Alarcon was a drug
22 user was unrelated to your first efforts and your
23 second effort that she was -- she was not keeping her
24 word and that it would hurt her in her future business
25 dealings with Heftel?

1 A Again, I think you're taking the
2 conversation out of context. The conversation was one
3 where I was calling Elizabeth as a friend to primarily
4 let her know that she had a relationship issue with
5 Heftel. And that I thought she would want to know as
6 the lead underwriter that piece of information. It
7 was not an effort in any way to not have her do the
8 IPO.

9 MR. DWYER: We need to change the tape
10 so...

11 MR. SUSMAN: I think we've been going
12 two hours so let's take a 15-minute break.

13 THE VIDEOGRAPHER: This is the end of
14 tape two. The time is 3:05.

15 (Recess from 3:05 to 3:25)

16 THE VIDEOGRAPHER: Start of tape
17 three. We're back on record. The time is 3:25.

18 Q Mr. Mays, I have a few more questions about
19 your conversation with Elizabeth Satin back in the
20 summer of '99.

21 Did she -- did she tell you what she
22 was going to do based on your information concerning
23 your -- your -- your retelling of Mr. Hinson's
24 statement concerning Mr. Alarcon's drug use?

25 A Not that I recall, no.

1 Q And before the break you -- you -- you
2 testified that Ms. Satin had told you some things
3 about where they were in the process of -- of due
4 diligence in the IPO. Do you recall that?

5 A Yes.

6 Q Did you think it was unusual that she was
7 telling you about where Lehman was in the process of
8 doing another company's IPO?

9 A You know, it was a pretty benign comment, I
10 mean what her response to me was. So it -- it
11 wasn't -- I didn't think it was unusual, no.

12 Q Would you have been offended if you had
13 discovered that Lehman or some other underwriter had
14 given that sort of information about a pending Clear
15 Channel underwriting?

16 A I didn't -- I didn't see it as even remotely
17 confidential what she said.

18 Q So -- so you would be okay if your
19 investment bankers had that kind of conversation with
20 another company in the radio business.

21 A On an initial public offering? I don't
22 think it would be an issue, no.

23 Q How about on subsequent underwritings?

24 A I think on subsequent underwritings it would
25 be relevant.

1 Q Why do you make that distinction?

2 A Well, because in one instance you have a
3 publicly traded stock and the knowledge of whether or
4 not offering was coming could impact the market
5 price. In initial public offering there is no market
6 price and, therefore, it wouldn't impact it.

7 Q When you -- when you had the conversation
8 with Ms. Satin about Mr. Alarcon's alleged drug use,
9 what did you answer when she said, where did you get
10 the information from?

11 A My recollection is I said she -- no. What
12 she said was, do you know -- I had said that -- that
13 he had said -- what I had heard was that there was
14 something in the public domain about him admitted to
15 using drugs. And her question is, where, where was it
16 in the public domain. At least that's how I
17 interpreted the question. I said I didn't know.

18 Q And you testified previously that you didn't
19 know whether it was a true statement or not that he
20 had used drugs.

21 A That is correct. And I told Ms. Satin that
22 I didn't know if it was true.

23 Q So what you were passing on to her was a
24 statement that you didn't know whether it was true or
25 not.

1 A I did not know whether or not it was true.

2 Q So why were you telling her -- and you
3 agree -- would you agree that what you were saying, if
4 not true, was defamatory?

5 A I don't -- I don't know that. I mean I'm --
6 I don't know what that is from a legal standpoint so I
7 don't know.

8 Q Would you agree that it wouldn't help
9 Mr. Alarcon's reputation if you said something that
10 wasn't true about his past drug use?

11 A If he admitted to using drugs? That's --
12 what I said was he admitted to using drugs. If that
13 ended up not being true, I don't know.

14 Q But when you said you didn't know whether it
15 was true --

16 A I didn't know whether or not he admitted to
17 using drugs, that's correct.

18 Q And you didn't know whether he used drugs.

19 A I have no knowledge of Mr. Alarcon's drug
20 use, no.

21 Q As you sit here today do you have any
22 knowledge concerning whether or not Mr. Alarcon has
23 ever used drugs?

24 A No.

25 Q As you sit here today do you have any

1 knowledge about whether Mr. Alarcon has ever sold or
2 trafficked in drugs?

3 A No.

4 Q Did you ever make an attempt to find out
5 whether -- whether Mr. Alarcon sold or trafficked in
6 drugs?

7 A No.

8 Q Did you ever ask Mr. Hinson to find out?

9 A No.

10 Q Do you know if he ever tried to find out?

11 A I don't know.

12 Q Have you ever had any kind of investigation
13 made of Mr. Alarcon or his family?

14 A No.

15 Q Do you know whether anyone at Clear Channel
16 has?

17 A Not that I'm aware of.

18 Q Do you know whether anyone at HBC has?

19 A Not that I'm aware of.

20 Q Do you know whether Lehman Brothers made an
21 investigation as to whether Mr. Alarcon used drugs?

22 A My understanding is that they did.

23 Q And do you know what the results of that
24 investigation were?

25 A My understanding was that -- that they did

1 not find anything.

2 Q Did you ask -- did you ever ask Mr. Hinson
3 what the public source was?

4 A I'm sorry?

5 Q Did you ever ask Mr. Hinson what the public
6 source was that he was -- that the thought Mr. Alarcon
7 was using drugs?

8 A I do not recall if I did or not.

9 Q In that conversation did you tell
10 Elizabeth Satin that SBS was the only real competition
11 to HBC in the Spanish-language radio market?

12 A I don't recall saying that, no.

13 Q Was that a true statement in the summer of
14 '99?

15 A I'm sorry?

16 Q Was that a true statement in the summer of
17 '99?

18 A Was what a true statement?

19 Q That SBS was the only real competition to
20 HBC in the Spanish-language radio market?

21 A From a perspective of a public equity
22 underwriting that was probably true.

23 Q Have you -- have you ever had any
24 discussions or review of materials concerning HBC's
25 principal competition in New York, Miami, Chicago, and

1 MR. DWYER: Steve, I would ask that we
2 leave a blank in the transcript and have that number
3 filled in.

4 MR. SUSMAN: Fine.

5 A

6 Q Do you think it would have been wrong for
7 someone at Clear Channel in the summer of 1999 to have
8 told someone at B.T. Alex Brown that they should
9 withdraw from a SBS IPO or risk endangering continuing
10 substantial fees from Clear Channel or HBC?

11 A I think from my perspective the issue would
12 be whether or not an investment bank who had made a
13 promise to you and said that they would not do
14 something, and that if they ultimately did not do
15 that, that it would be a matter of integrity and
16 whether or not you would continue to want to do
17 business with someone that you didn't have confidence
18 and integrity.

19 So, you know, I think that's a
20 difficult question to answer. I don't -- by the way,
21 I don't think anybody ever said that to them.

22 Q Would it make a difference to you as to
23 whether that was a wrong thing to do as to whether
24 they had -- the investment bank had already agreed to
25 participate in the IPO?

1 A I think integrity is kind of an absolute
2 issue. Either you have it or you don't. And it's a
3 pretty important part of a relationship with an
4 investment bank. I mean, I tell every single
5 investment bank that comes through here, number one
6 most important thing is trust in the relationship.
7 And if you don't have integrity and trust in that
8 relationship I think it's tough to have a
9 relationship.

10 Q You don't think that investment banks have a
11 level of trust in the relationship they don't want to
12 go as far as what fee they're getting right now?

13 A I think that that is certainly one of the
14 things that makes it difficult. And I think that
15 firms that set themselves apart are the ones that are
16 able to raise above that.

17 Q Well, just staying with your situation,
18 isn't it -- isn't it the case that the people who told
19 you they wouldn't do an SBS IPO back in 1997 told you
20 that so that they would participate -- be able to
21 participate in the Heftel underwriting?

22 A They certainly told me that as -- as part of
23 the Heftel underwriting, yes.

24 Q And they told you that because they wanted
25 to get the fee that was being offered to them then.

1 A I -- certainly I think that played a role in
2 their decision, yes.

3 Q And if some of those people were
4 participating in the SBS IPO in the summer of 1999 it
5 was because they wanted to get a fee from that -- that
6 underwriting event.

7 A I would assume that the reason they were
8 doing that was to earn money, yes.

9 Q And that if some of those people were
10 induced to not participate in an IPO is because they
11 thought they'd make more money by future business from
12 Clear Channel or Heftel.

13 A You'd have to ask them what their motives
14 were.

15 Q Good suggestion.

16 Did -- did BTAB participate as a
17 underwriter in a -- a deal for Heftel in November of
18 1999?

19 A I don't know if they did or did not. It
20 would be easy to find out. I just don't know.

21 Q That's the same month that the SBS IPO was
22 launched. Isn't that right?

23 A I don't know specifically if that's when it
24 was launched or not. I thought it -- SBS was slightly
25 before that but that could be right.

1 MR. DWYER: I'll mark as Exhibit 68 a
2 document that's headed Heftel Broadcasting -- Road
3 Show.

4 (Exhibit 68 was marked)

5 Q And that was the road show scheduled as of
6 January 15th.

7 (Off the stenographic record.)

8 MR. DWYER: And I'd like to mark as --
9 that was 68?

10 THE REPORTER: Uh-huh.

11 MR. DWYER: -- 69 the Heftel road show
12 January 24th.

13 MR. SUSMAN: The first one is 68?

14 MR. DWYER: Yeah.

15 (Exhibit 69 was marked)

16 Q Mr. Mays, does a review of Exhibit 68 and 69
17 refresh your recollection as to the participants in
18 the Heftel road show in January of 1997?

19 A I mean it -- it really doesn't. I -- I'm
20 just kind of going through this. It is -- it's a
21 little bit of a blur to me. I don't -- I mean I
22 really don't know remember doing the Heftel road
23 show. I can remember one meeting in New York at the
24 21 Club. And I just -- I really don't remember.

25 I -- to put it in context, I've been on

1 those questions when they get them for other
2 investors, and to the extent they learn any new
3 information to be aware of it.

4 Q Independent of the question of whether you
5 remember yourself going on this road show, do you
6 remember that your father was -- participated in the
7 January 1997 Heftel road show?

8 A You'd have to ask him that specifically.
9 I -- I recall that he was at a meeting in New York.
10 And other than that one, again, I just -- I don't
11 remember.

12 Q Do you remember that Mr. Tichenor and
13 Mr. Hinson participated in the January 1997 Heftel
14 road show?

15 A It certainly would not seem to me to be
16 unusual. They were going to be the CEO and CFO of the
17 new entity. So it's very likely that they did. I
18 would expect that they would. I just -- again, I just
19 don't remember.

20 Q Do you remember that Mr. Amling and
21 Mr. Marcus from Alex Brown participated in the January
22 1997 road show?

23 A I certainly would expect that for parts of
24 it they would have.

25 MR. DWYER: I'm going to mark as

1 Exhibit 70 a document that on the front says Heftel
2 Broadcasting Corporation, and it's got Bates numbers
3 053818 through 053864.

4 (Exhibit 70 was marked)

5 (Off the stenographic record.)

6 MR. TERRELL: This is Exhibit 70?

7 MR. DWYER: 70, yes.

8 Q Mr. Mays, there's no date on this document.
9 Have you -- have you ever seen this document before?

10 A I -- I think I have, yes. I don't
11 specifically recall but I -- my -- my -- it's highly
12 likely that I have seen it, yes.

13 Q Do you believe this to be a slide show or
14 PowerPoint presentation made in January 1997 during
15 the Heftel road show?

16 A No. I don't think that.

17 Q What -- what do you believe this to be?

18 A I believe this is a presentation that was
19 made to the commercial banks in the credit facility
20 for Heftel.

21 Q And did I at least get the date right? Do
22 you think it's January 1997?

23 A That certainly appears what it is, yeah.

24 Q There's not --

25 A It's pretty close to that.

1 Q Might be January '97, might be December '96?

2 A Yeah. I mean it's -- my guess -- I think
3 you're right. I think it's sometime probably early
4 January.

5 Q No later than February 1997?

6 A I think that's correct, yes.

7 Q And did you participate in -- in making this
8 presentation?

9 A I believe so, yes.

10 Q And it talks here about -- there are two
11 people who appear on this agenda from Chase
12 Securities. What was the role of Chase Securities in
13 connection with that debt offering?

14 A They were the -- I believe the -- the
15 correct term is that they were the syndicator of the
16 credit facility.

17 Q And Chase -- is Chase Securities connected
18 to the company that is now JP Morgan Chase?

19 A Yes.

20 Q It was an affiliate of Chase Manhattan Bank
21 at the time?

22 A I believe that's correct, yes.

23 Q And was this debt offering **successful** for
24 Heftel?

25 A I believe so, yes.

1 Q Now, do I -- do I correctly understand the
2 format that you made the -- the two parts of the
3 presentation that are Introduction and Hispanic
4 Market?

5 A This is what that says. I don't -- I don't
6 recall if I did or I didn't.

7 Q Well, if you look at the -- if you look at
8 the slides from 53820 through 53833, do you believe
9 you -- you presented those slides at this
10 presentation?

11 A I don't have any reason to think that I
12 didn't. I just don't know for a fact that I did. The
13 agenda would suggest that.

14 Q You --

15 A I don't -- I don't know if I did or I
16 didn't. My guess is based on this I would say it's
17 likely.

18 Q And you remember making a presentation at
19 Chase?

20 A I recall a bank meeting in New York that I
21 attended, and I know I was there. So I don't -- I
22 don't specifically recall what I did or said. I know
23 I was -- I certainly recall being there.

24 Q At the time, and we're -- we're
25 approximating January 1997, were you still the CFO of

1 Heftel?

2 A I believe so. Again, I'm not sure exactly
3 what my title was but I believe so.

4 Q You still had a role in Heftel.

5 A Yeah. We had not -- Clear Channel still
6 owned a majority interest in Heftel, yes.

7 Q So this -- so the -- another way of dating
8 this is this -- this presentation had to be made
9 before February 14th, 1997.

10 A Yeah. In fact, the -- this was an interim
11 part -- this had to get done before the closing could
12 happen.

13 Q Okay. If you look at the page that's
14 053821, what did you mean by New Heftel pro forma 1996
15 revenues approximate \$120 million?

16 A That the pro forma revenues of Heftel and
17 Tichenor, which we call New Heftel to distinguish it
18 from Heftel, the prior -- the unmerged company would
19 have had approximately 120 million in revenues.

20 Q And is the next point on this chart designed
21 to say that the new company is -- is larger than the
22 combined revenues of the next largest -- next nine
23 largest Spanish radio broadcasters?

24 A The next point says that the combined
25 revenues of the next nine largest Spanish radio

1 broadcasters approximates a hundred million.

2 Q And that was true. Right?

3 A As far as I knew, yes.

4 Q And so one of the things you were saying to
5 the potential buyers of Heftel debt was that the
6 company you're putting together was going to have
7 revenues that were larger than its next nine largest
8 competitors.

9 A That it would be larger than the next --
10 than the -- of the next nine largest Spanish radio
11 broadcasters, yes.

12 Q And you are also -- you were also telling
13 the potential debt holders that the New Heftel was --
14 would be the only Spanish radio broadcaster to operate
15 stations in each of the top ten Hispanic markets.

16 A Yes.

17 Q Why -- I take it that this whole
18 presentation is to persuade them that this is a
19 creditworthy debt?

20 A Yes.

21 Q Why was -- why was that an important point
22 to make to them in that context?

23 A I think to show that the company had a size
24 and scope, that it was not overly dependent upon any
25 one market, that it had diversified revenue stream.

1 Q Did anyone ask you whether -- what
2 competitors were in those ten Hispanic markets?

3 A I don't recall.

4 Q Did anyone ask you whether any of the other
5 competitors had as many as five of the markets covered
6 with stations?

7 A I honestly don't recall.

8 Q What about the next point, operates the
9 number one Spanish station in nine markets? What did
10 you mean -- why were you telling that to the potential
11 debt holders?

12 A I assume to show a proficiency in running
13 stations in the Spanish language.

14 Q And you were persuading them that because
15 they were the number one station in nine of the
16 markets that meant they would be a successful company?

17 A I would characterize it that they knew how
18 to manage and run stations in Spanish-language format.

19 Q If you turn to the next page, which is
20 53822, the bottom -- the bottom bullet says, Clear
21 Channel to convert to nonvoting stock with option to
22 convert back to voting stock.

23 Do you see that?

24 A Uh-huh.

25 Q Is that something you told the potential

1 A I believe that's the case.

2 Q And what did you mean by the last
3 sub-bullet, opportunity to introduce new Spanish
4 formats in top ten Hispanic markets?

5 A That there was the opportunity to convert
6 English-language stations to Spanish-language
7 stations.

8 Q In terms of new Spanish formats, did you --
9 did you also mean that it could -- that the New
10 Heftel, by virtue of having multiple stations in given
11 markets, could offer different types of
12 Spanish-language programming?

13 A I -- I don't know. I would -- that's not
14 how I would interpret that. That could have, in fact,
15 be what we were talking about. That's not how I would
16 interpret that. I would just say new Spanish formats
17 meaning the introduction of a English-language to a
18 Spanish-language.

19 Q Well, Clear Channel does that. Right? I
20 mean in certain markets you have different --
21 different of the Clear Channel stations broadcasting
22 in different -- in different formats to capture
23 different parts of the listening audience?

24 A Yes.

25 Q So would it surprise you that

1 Spanish-language radio also tries to broadcast
2 different formats to capture different segments of the
3 listening audience?

4 A No.

5 Q And are you aware of regional differences
6 among cities that Heftel and Tichenor were
7 broadcasting in at the time in terms of focusing
8 programs to Mexican immigrants versus Caribbean
9 immigrants versus South American immigrants?

10 THE WITNESS: Can you repeat that?

11 (The requested portion was read back)

12 A Yes.

13 Q And your -- for example, in Los Angeles, the
14 programming is focused more on Mexican immigrants as
15 contrasted to, say, Miami where a Cuban or other
16 Caribbean immigrants might be more of a focus?

17 A That is my general understanding.

18 Q And -- and would you agree with me that
19 there are cultural differences among Hispanics who
20 come from different regions?

21 A I certainly do not believe that they are a
22 homogenous group of people, no.

23 Q And are there -- would you agree that there
24 are also linguistic differences between the Spanish
25 that's spoken in Mexico versus the Spanish that's

1 spoken in Cuba or Columbia?

2 A That's getting into a subtlety that I
3 don't-- I think there are cultural differences. When
4 you start getting into linguistic differences, I just
5 don't know.

6 Q Do you speak Spanish?

7 A Very little bit.

8 Q Poco?

9 A Un poco.

10 Q Does your father or brother speak Spanish?

11 A I would put them in the same category as
12 myself.

13 Q And **are** there any officers of Clear Channel
14 that you know of that would regard themselves as
15 fluent in Spanish?

16 A Yeah.

17 Q Who is that?

18 A I would -- I know that we have, for example,
19 the CFO of our outdoor group is perfectly fluent.

20 THE REPORTER: I'm sorry. What group?

21 A The CFO of our outdoor division is fluent.
22 I know people who work in certainly our Mexico
23 operations that are, people who work in our Spanish
24 operations that are. So --

25 Q You hope.